



PRELIMINARY DRAFT
No. 3231

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2011 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 5-10.2-3-6.5.

Synopsis: PERF and TRF administrative matters. PERF/TRF proposal #8. Permits a member of the public employees' retirement fund (PERF) or the teachers' retirement fund (TRF) who is eligible for an early retirement to withdraw the member's annuity savings account without applying for a retirement benefit.

Effective: July 1, 2011.



A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 5-10.2-3-6.5, AS AMENDED BY P.L.99-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 6.5. (a) A member who meets all of the following requirements may elect to withdraw the entire amount in the member's annuity savings account: ~~before the member is eligible to do so at retirement under IC 5-10.2-4-2:~~

(1) The member has attained vested status in the fund.

(2) The member has terminated employment with the applicable fund and is not currently employed in a covered position.

(3) The member has not performed any service in a position covered by the fund for at least thirty (30) days after the date the member terminates employment.

(4) The member makes the election described in this subsection:

(A) after December 31, 2008, if the member is a member of the public employees' retirement fund; or

(B) after June 30, 2009, if the member is a member of the Indiana state teachers' retirement fund.

(5) Except as provided in subsection (b), the member is not eligible for:

(A) **before July 1, 2011**, a reduced or unreduced retirement;

or

(B) **after June 30, 2011, an unreduced retirement;**

under IC 5-10.2-4 on the date the fund receives notice of the election described in this subsection.

(b) The requirement described in subsection (a)(5) does not apply to a member of the public employees' retirement fund who:

(1) was eligible for a reduced or unreduced retirement; and

(2) received a distribution under this section;

after December 31, 2008, and before January 1, 2010.

(c) A member who elects to withdraw the entire amount in the member's annuity savings account under subsection (a) shall provide



1 notice of the election on a form provided by the board.

2 (d) The election to withdraw the entire amount in the member's
3 annuity savings account is irrevocable.

4 (e) The board shall pay the amount in the member's annuity savings
5 account as a lump sum.

6 (f) Except as provided in subsection (g), a member who makes a
7 withdrawal under this section is entitled to receive, when the member
8 becomes eligible to receive **and applies for** a retirement benefit under
9 IC 5-10.2-4, a retirement benefit equal to the pension provided by
10 employer contributions computed under IC 5-10.2-4.

11 (g) A member who:

12 (1) transfers creditable service earned under the fund to another
13 governmental retirement plan under section 1(i) of this chapter;
14 and

15 (2) withdraws the member's annuity savings account under this
16 section to purchase the service;

17 may not use the transferred service in the computation of a retirement
18 benefit payable under subsection (f).

